

**CITY OF GUSTAVUS, ALASKA
RESOLUTION 2013-14**

Sense of the Council Resolution Regarding the Gustavus Bulk Fuel Facility

Whereas, the Gustavus Bulk Fuel Facility (Tank Farm) was constructed using public money for the benefit of the people of Gustavus; and,

Whereas, a provision for use of the facility by multiple bulk fuel users/distributors would provide for more efficient use of the Tank Farm as well as opportunities for competition in fuel sales in Gustavus; and,

Whereas, Denali Commission Inspector General Mike Marsh stated in his April 15, 2013 report on the Tank Farm that the “100-year lease was invalid from the start due to legal irregularities”^A; and,

Whereas, it is the sense of the Council, in concurrence with Inspector General Mike Marsh, that the 100-year Tank Farm “lease” is “void and unenforceable”^B; and,

Whereas, the Council believes public interest requires the 100-year “lease” be replaced with a shorter-term lease at the symbolic price of one dollar per year, and include provisions guaranteeing maintenance and transparency of repair and replacement (R&R) and operations and maintenance (O&M) accounts and indemnification and environmental protection for the City; and,

Whereas, the Denali Commission has not complied with its responsibilities in the Gustavus Bulk Fuel Facility Business Operating Plan regarding oversight of Tank Farm operations,^C and

NOW BE IT THEREFORE RESOLVED, THAT the City Council desires the 100-year “lease” on the Gustavus Bulk Fuel Facility be replaced with one or more shorter term leases , at the symbolic price of one dollar per year, that includes provisions guaranteeing maintenance and transparency of repair and replacement (R&R) and operations and maintenance (O&M) accounts; and,

BE IT FURTHER RESOLVED, THAT after the expiration of the abovementioned lease(s), a subsequent lease or leases—containing the abovementioned R&R and O&M provisions, as well as provisions to provide for access to the facility by other bulk fuel users/distributors—be advertised and let through a competitive bid process; and,

BE IT FURTHER RESOLVED, THAT the Gustavus City Council insists that the Denali Commission comply with the Gustavus Bulk Fuel Facility Business Operating Plan regarding oversight of Tank Farm operations. END

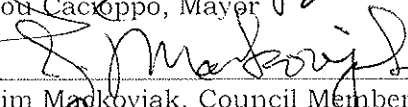
^A Mike Marsh, Denali Commission Inspector General, "Inspection of state subaward #340240 to City of Gustavus for tank farm," April 15, 2013, at 1.

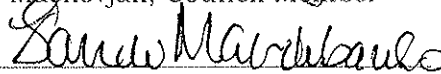
^B Mike Marsh, Denali Commission Inspector General, "Inspection of state subaward #340240 to City of Gustavus for tank farm," April 15, 2013, at 23.

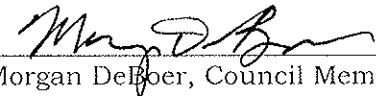
^C Business Operating Plan of the Gustavus Bulk Fuel Facility, August 10, 2009, at 11.

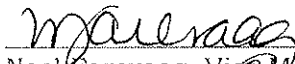
PASSED AND APPROVED by the Gustavus City Council, this 9th day of May, 2013.


Lou Cacioppo, Mayor

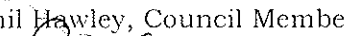

Jim Mackovjak, Council Member

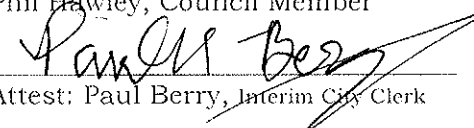

Sandi Marchbanks, Council Member


Morgan DeBoer, Council Member


Noel Pareyaag, Vice Mayor


Tim Sunday, Council Member


Phil Hawley, Council Member


Attest: Paul Berry, Interim City Clerk